

AgImports

Continue Four Decades of Expansion

Demand & supply factors at work in a relatively open market

- ❑ Demand: consumer preferences (variety, luxury, ethnic foods); population growth (2.7 million/year); high disposable income
- ❑ Supply: capital flows build foreign capacity; technology transfer; supply chains increasingly global; production costs (lower wages favor labor-intensive crops)

FY 2008 import values for products driving most long-term growth

- ❑ Horticultural products \$34.8 billion (fruit & vegs \$17.5 bil, wine & beer \$8.5 bil)
- ❑ Snack foods \$5.2 bil, beef & pork \$4.2 bil, vegeils \$4.5 bil, dairy products \$3.2 bil

Key observations for FY 2008 – imports rise \$6 bil to record \$76 bil

- ❑ Import volume growth slows slightly with weaker dollar and consumer spending, but higher prices keep value growing near the faster pace seen in the past 5 years
- ❑ Grains, oilseeds & products add \$4 billion in 2008, mostly due to higher prices, but some vol increase too (this compares to \$300 million additional sales in 2005)
- ❑ Tropical products (natural rubber, coffee & other products) continue to grow above trend with strong global demand and record to near-record prices